

Introduction

- The business entities in J&K have been demanding package from time to time as the business environment has been under strain for several years.
- In light of the difficulties faced by the various sectors of the economy due to ongoing COVID-19 pandemic and problems faced by them during last few years, a committee was constituted.
- The committee heard around 35 business associations in J&K and noted 199 demands. (49 demands related to financial support and banking interventions, 69 demands pertained to Administrative decisions, 26 demands pertain GST and other Taxes and 55 demands pertains to policy decisions.

Introduction

- The overall demands can be categorized into financial support, administrative policies, banking interventions, infrastructure bottlenecks, GST and Central Government interventions.
- 137 demands have been accepted in accordance with the principles of financial prudence, business sustainability, mutual partnership between Government and business community and legal & regulatory framework.
- There were 49 demands related to financial support and banking intervention out of which 31 demands have been duly considered.

Introduction

- Out of 69 demands involving administrative decisions, suitable measures have been suggested in respect of 66 demands.
- All the demands related to infrastructure are being addressed. The administrative measures recommended include establishment of online registration and renewal systems, time bound clearances, rationalizing of covid-19 restrictions and various platforms for stakeholder consultations on the regular basis.
- Out of 26 demands pertaining to issues related to GST and other taxes, 12 pertain to GST council, 7 demands stand addressed and 7 demands are not covered under the principle of financial prudence.
- 22 demands pertaining to the policy issues are not addressed because of inconsistency with the regulatory and legal framework.

Financial Package

- The committee has recommended interest subvention of 5% for six months amounting to Rs 1089.24 crore , partial waiver of fixed electricity charges for one year amounting to Rs 80 crore, waiver of water charges for six months costing Rs 25 crore, time bound One Time Settlements (OTS), capital infusion in accordance with the Atma Nirbhar Bharat Abhiyan, replacement of old vehicles and insurance support costing Rs 50 crore to the transporters, support to artists and others costing Rs 108.75 crore as given below:

Financial Package

S.No	Demand	Recommendations	Financial Implication (Rs in Crore)
1.	Waiver of Fixed Charges under Electricity.	Waiver off 50 % of the fixed charges of Electricity in respect of the Industries and Commercial Establishments for a period of 1 year from September, 2019 to September, 2020.	80.00
2.	Waiver of Water Charges	Water charges shall be waived off for a period of six (06) months wef 1 st April, 2020 to all Industries and Commercial Establishments in view of lockdown due to Covid-19 Pandemic	25.00

Financial Package

S.No	Demand	Recommendations	Financial Implication (Rs in Crore)
3.	Interest Waiver	interest subvention of 5% in case of all borrowers except excluding borrowers under KCC, ACC, Loan against deposits, Loans under personal segments, NBFCs for a period of 06 months w.e.f 1st April, 2020. The benefit shall be available to those borrowers whose accounts were standard on 31-07-2019 or 31-03-2020 whichever is applicable.	950.00

Financial Package

S.No	Demand	Recommendations	Financial Implication (Rs in Crore)
4.	Relief to Bus Drivers/ cleaners/ Sumo Drivers and auto drivers	1,40,000 sumos, Buses and autos plying these shall be registered with the labour with the Building and other construction workers board and paid monthly remuneration of Rs 1000 each in DBT mode for a period of six months.	80.00
5.	Release of Pending interest subvention under 2014 and 2016 rehabilitation schemes for restructured accounts.	release pending interest subvention claims of banks received through JKUTLBC under 2014 & 2016 rehabilitation schemes for restructured accounts of businessmen/traders	139.24

Financial Package

S.No	Demand	Recommendations	Financial Implication (Rs in Crore)
6.	Subsidy for installation of Bio-digesters in the Houseboats	80% subsidy for installation of the bio-digesters in the Houseboat.	15.00
7.	Replacement of old vehicles	50% subsidy or 5.00 lakh whichever is lower shall be provided to the transporters for replacement of old buses. .	25.00 (Already Budgeted)
8.	Insurance to Transporters	the insurance premium shall be borne by the Government subject to maximum of Rs 5000 per vehicle for Buses/Mini Buses, Rs 3000 for taxes/sumos and Rs 2000 for three wheelers.	50.00

Financial Package

S.No	Demand	Recommendations	Financial Implication (Rs in Crore
9.	Payment to artist	There are around 3100 artists who have lost their livelihood during the pandemic. the artists associated with the cultural academy shall be paid Rs 1000 per month out of 'JK Relief Fund' for a period of 09 months w.e.f 1 st April, 2020	1.80
10	Extension of payment of relief to Shikara Walas/House Boat owners/Tourist Guides/Pithuwala/Dandiwalas/Sledge Walas/Pony/Camel Riders	There are 19914 Shikara/House Boat owners/Tourist Guides/Pithuwala/Dandiwalas/Sledge Walas/Pony/Camel Riders who have been paid Rs 1000 per month for three months.	11.95

Financial Package

S.No	Demand	Recommendations	Financial Implication (Rs in Crore)
		To extend payment of Rs 1000 to all of them for further 06 months ending 31 st December, 2020 out of 'JK Relief Fund'	
	Total		1352.99

Bank and Finance Support

- The bank will enhance powers to sanction loan by branch heads as per laid down procedures.
- Finance Department will write to all banks to cover loans for agriculture and allied non-farm activities under MUDRA loans e.g. pisci-culture, bee keeping, poultry, dairy, live stock-rearing, grading, sorting, aggregation agro industries, fishery, agri-clinics and agri-business centers, food & agro processing etc. District level bankers committee to ensure implementation by holding one meeting every month and report to UTLBC regularly for supervising progress in the matter.

Bank and Finance Support

- Delay in the payments to industries and suppliers shall be monitored by a Committee having members as Administrative Secretaries of RDD, I&C Department, PDD & PW (R&B) Department as members under the overall supervision of Financial Commissioner, Finance.
- The date of filing of GST reimbursement claims up to the period 31.12.2019 shall be extended to 31st December, 2020 provided that the units have filed up to date returns.
- Workshops for awareness of NPA and GEM shall be held in 20 districts to be jointly organized by the Finance Department and J&K Bank.

Bank and Finance Support

- Customised “Help Tourism” scheme by J&K Bank for financial assistance to persons associated with the Tourism Sector with attractive pricing and repayment features.
- For working capital loan there will be 2 guarantors instead of 3. J&K Bank shall make necessary changes if permitted under regulatory framework.
- JK bank will work out a cluster financing scheme as per local demands.

Industry related Measures

- Buyer seller meet shall be organized by the Industries & Commerce Department at both the provinces, especially export oriented handicrafts, round the year. Buyer –seller meet shall be organised for encouraging participation of local industries in handicraft sector and other allied sectors and for suppliers to cantonments.
- Land bank will be set up exclusively for the establishment of food park clusters.
- Ease of Doing Business- a single window portal will be setup and online clearances introduced.

Industry related Measures

- Land shall be provided in the industrial estates for the establishment of the warehouses.
- I&C shall conduct a comprehensive diagnostic study for solving Industry related problems and furnish a report within 3 months.
- I&C Department shall provide online facility, display and promotion space for carpet organizations and others to promote their products. Promotion activities shall be made a regular feature for two times a year at both Jammu and Srinagar.

Industry related Measures

- Export promotion board will be set up in consultation with the stakeholders within 03 months.
- Loan slab under Credit Card Scheme for handlooms and handicrafts will be enhanced from Rs 1.00 lakh to Rs 2.00 Lakhs with interest subvention of 7%.

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Toursim:

- Online renewal and registration system for transporters/hoteliers shall be put in place.

Tourism:

- Banks will extend every possible support to houseboat owners, tour & travel operators and shikarawalas and frame a customized scheme for their working capital requirements in consultation with the concerned associations.
- All renewals of Registration of Hotels, Restaurants and the like shall be done in a time bound manner.

Housing and Urban Development:

- STPs of Srinagar will be completed in time bound manner providing relief to Hotels.
- Building permissions will be given in a time bound manner within 3 months.

Agriculture/Horticulture and allied sectors

- Farmer Producer Organisations will be increased with market linkages.

Transport:

- Suitable space for passenger taxi and auto stands will be organized to avoid traffic congestions.

Handloom and Handicraft:

- Handicraft Cluster centres will be set up in specified zones.
- Handloom parks will be created in J&K and possibilities for development of handloom parks outside J&K will be explored.
- Registration of Instruments will be done by Revenue Department on daily basis, and not more than 07 days.

Focus Group:

- Special desk shall be created to address youth and women entrepreneurs in the J&K Bank. The facility shall be put in place by the J&K Bank by 1st of October, 2020.
- Exclusive market space will be created for women entrepreneurs.
- Creation of Portal for unemployed Youth- A one stop solution with tie-up with employment portals and employers on same platform will be done.
- Renewal of registration of Schools will be done in a time bound manner and affiliation process with the CBSE board shall be eased out to have more CBSE school registrations.

Focus Group:

- Frequent national and international events shall be organised by the Youth Service and Sports Department to have wide participation. High end events will encourage tourism sector and improve economy of the UT.

Committees:

- A committee headed by Administrative Secretary I&C Department with representative of Finance Department will propose issuance of a simplified negative list for industrial incentives within 03 month.

Committees:

- Committee to be constituted for settlement of Bank, Finance and Industry issues with association representatives as members to be chaired by Finance Department.
- Constitution of committees in each Province/District involving members of the business associations to address their issues which shall meet every month at district level and every two months at provincial level to settle issues of business community. The committees shall have representatives from I&C/Finance/Banks as its members.

Government of India interventions

- Notification of the Industrial Policy.
- GST Issues- reduction in tax rates from 12% to 5% in case of all handicraft items.
- Allowing local filters for procurement through MSME on GEM for a period of 2 years in J&K in view of difficulties due to the abolition of the toll tax. Request has been made to CEO GEM who has taken up matter with Department of Expenditure, Ministry of Finance. Alternatively, procurement from MSME may be allowed in J&K through e-tendering for 2 years in relaxation of GFR.
- Stabilization of National Highway between Srinagar and Jammu to avoid frequent disruptions.

